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Office of the
Chief Financial Officer

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Revision as of 11:37 AM October 22, 2019

Resolution Confirming the Administration's Commitment to Certain Actions Regarding Implementation of "Bond Proposal Funds" and Policies Governing Related Property

WHEREAS, the Mayor has requested the City Council to approve a ballot initiative by which the City shall borrow an amount not to exceed \$250,000,000 and issue Unlimited Tax General Obligation Bonds of the City for the purpose of the elimination of blight through demolition and other blight remediation activities (the "Blight Elimination Bond Project"); and

WHEREAS, in consideration of the City Council's approval of the proposed Blight Elimination Bond Project the Administration agrees to undertake the items within the resolve of this resolution; BE IT THEREFORE

1 RESOLVED, subject to state law and City ordinance, to propose a Demolition Department to manage the demolition program and subsequently cancel or revise the demolition contract with the Detroit Building Authority. The changes will be proposed in an Executive Organization Plan amendment submitted to City Council before the end of the Council Session in November 2019 and in the Fiscal Year 2020-2021 Budget Recommendation to be submitted to City Council for review.

2 RESOLVED, the Office of Contracting and Procurement agrees to submit non-emergency residential demolition contracts in packages not to exceed 2,500 properties bi-annually. Through the use of the equalization ordinances and aggressive work by Civil Rights, Inclusion & Opportunity Department to qualify demolition contractors, **over 50% of the contracts** will be won by a contractor with one of the following certifications: Detroit Based Businesses, Detroit Headquartered Businesses, Detroit Small Businesses, Detroit Resident Businesses, Detroit Based Micro Businesses, Minority-Owned Business Enterprises, Women-Owned Business Enterprises, Mentor Ventures, and Joint Ventures. Special packages may be brought to City Council outside of the biannual process to address emergency, public safety or economic development needs. **If**

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there is insufficient capacity, the Office of Procurement and the Civil Rights, Inclusion & Opportunity Department will report to City Council on actions they will take to attract and certify additional demolition businesses in the future.

3 RESOLVED, within each semi-annual large procurement for residential demolitions, the Office of Contracting and Procurement will set aside contracts for certified Detroit Small Businesses and Detroit Based Micro Businesses. The Office of Procurement intends to set aside 30% of the contracts for certified Detroit Small Businesses and Detroit Based Micro Businesses in the procurement to be awarded in January 2020 and will report to the Administration and City Council following the completion of the procurement. If there is insufficient capacity to meet the 30% set aside in the January 2020 procurement, the Office of Procurement and the Civil Rights, Inclusion & Opportunity Department will report to City Council on actions they will take to attract and certify additional Detroit Small Businesses and Detroit Based Micro Businesses in demolition in the future.

4 RESOLVED, Prior to the submission of a demolition bid package, the Office of Contracting and Procurement agrees to submit a bi-annual employment report for all demolition contractors that are not certified as a Detroit Resident Business including the number of employees and the number of Detroit-resident employees at the time of bidding.

5 RESOLVED, by May 31, representatives from the OCFO and CRIO will work with the Budget, Finance and Audit Standing Committee to review the existing ordinance, develop outcome metrics and recommend changes to the ordinance to better meet the objectives of the Administration and City Council.

6 RESOLVED, the Detroit Employment Solutions Corporation agrees to schedule a meeting with demolition contractors that have been pre-qualified to determine the hiring and training needs of each contractor for the implementation of the Blight Elimination Strategy within one (1) month of the approval of this agreement.



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7A RESOLVED, within one (1) month of approval of this agreement, The Detroit Employment Solutions Corporation agrees to implement a Blight Elimination Outreach marketing plan that may include, but not limited to the following: Outdoor signage; Digital and Social media outreach across Detroit at Work and all city channels; Outreach to our community partners including City Council, Faith-based, community partners, Department of Neighborhoods; Detroit at Work website banners and landing page highlighting details and how to sign up and find our more information (detroitatwork.com averages 50,000 visits a month); Detroit at Work newsletter with over 120,000 Detroiters subscribing; press conference to announce efforts and garner media partners stories.

7B RESOLVED, the Office of Contracting and Procurement, Detroit Employment Solutions Corporation, the Demolition Department, and the Civil Rights, Inclusion & Opportunity Department agree to host employment fairs for contractors that do not qualify for the Detroit Resident Business certification. The Office of Contracting and Procurement will encourage those demolition business that do not qualify for this certification to attend.

8 RESOLVED, the Demolition Department will submit quarterly reports detailing the following: number of homes demolished; and proof demolition field liaisons' visits to each property.

9 RESOLVED, the Administration will make practical operational changes to address audit findings of the Auditor General and any other pertinent external audit findings, unless the recommendations create an undue burden on small demolition contractors without a measurable benefit to the program.

10 RESOLVED, the Demolition Department will conduct a deconstruction pilot to determine the feasibility of incorporating deconstruction into the demolition program on a larger scale.

11 RESOLVED, Planning and Development Department will complete neighborhood plans and update the master plan for the City over the next five years with community input.



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12 RESOLVED, in the areas most affected by demolition of vacant and abandoned structures, the City will be investigating four primary areas for neighborhood planning: the history of the neighborhood; tactical historic preservation opportunities; housing rehabilitation opportunities for vacant properties; interim and medium-term open space strategies. These pillars will help the city and neighbors plan for redevelopment while also creating amenities, prevent illegal dumping and making the neighborhood more attractive.

13 RESOLVED, through community meetings, the Planning and Development Department will develop sidelot, landscape and interim use strategies for areas that will remain vacant for the medium term.

14 RESOLVED, in consultation with the City Council, the Planning and Development Department and Detroit Land Bank Authority will collaborate to make changes in the Detroit Land Bank Authority Memorandum of Agreement which will be submitted no later than January 1st 2020. With the submission, the Administration will include the most expeditious schedule through which the City Council, Administration, and Detroit Land Bank Board will decide the future of all vacant lots currently in the Detroit Land Bank's inventory as well as future vacant lots resulting from the blight bond initiative.

16A RESOLVED, the City will have rehab strategies that save homes that otherwise could be demolished, but are savable with a similar level of incentive.

16B RESOLVED, the City will use sustainable renovation standards to provide future property owners with low utility costs, to include but not limited to, high efficiency systems (such as furnace, water heater) and updated windows.

17 RESOLVED, the City's rehab strategies will range from a "Rehabbed and Ready" model to more modest improvements such a site preparation and partial rehabilitation that will make houses easier to sell.



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18 RESOLVED, the City will have a rehab and marketing strategy that is aimed at assisting new low income home buyers and seniors in purchasing rehabbed or partially rehabbed houses.

19 RESOLVED, through the Fiscal Year 2021 Budget, the Administration will propose a new grass cutting strategy to address the spring growth and improve maintenance of vacant lots.

20 RESOLVED, the Administration will expand the illegal dumping campaign to protect neighborhoods with newly vacant land.

21 RESOLVED, the Administration will work with state leaders to enact "Pay as you Stay", legislation to create a pathway out of foreclosure for low income home-owners. Pay as you Stay is a proposed new payment plan that will eliminate all interest, penalties and fees, reduce back taxes to 10% of the home's taxable value, and create a three year payment plan with 0% interest.

22 RESOLVED, the City will partner with nonprofits and philanthropies to provide information about pathways out of foreclosure through Make it Home and the Homeowner Property Tax Exemption Program, directly to homeowners through door knocking campaigns, mailings, phone calls and community-based workshops.

